



June 2, 2015

Mr. Michael Fiorentino
President
Lock Haven University of PA
401 North Fairview Street
Lock Haven, PA 17745-2439

UPS Tracking Number:
1ZA879640299936369

RE: **Expedited Final Program Review Determination Letter**
OPE ID: 00332300
PRCN: 201530329019

Dear Mr. Fiorentino:

From May 18, 2015 through May 21, 2015, Ms. Deborah Marsh and Ms. Diane Sarsfield conducted a review of Lock Haven University of Pennsylvania (Lock Haven) administration of the programs authorized pursuant to Title IV of the Higher Education Act of 1965, as amended, 20 U.S.C. §§ 1070 et seq. (Title IV, HEA programs). The purpose of this Final Program Review Determination Letter is to close the program review.

The focus of the review was to determine Lock Haven's compliance with the statutes and federal regulations as they pertain to the institution's administration of Title IV programs. The review consisted of, but was not limited to, an examination of Lock Haven's policies and procedures regarding institutional and student eligibility, individual student financial aid and academic files, attendance records, student account ledgers, and fiscal records.

A sample of 30 files was identified for review from the 2013-2014 and 2014-2015 (year to date) award years. The files were selected randomly from a statistical sample of the total population receiving Title IV, HEA program funds for each award year. Appendix A lists the names and social security numbers of the students whose files were examined during the program review.

Protection of Personally Identifiable Information (PII):

PII is any information about an individual which can be used to distinguish or trace an individual's identity (some examples are name, social security number, date and place of birth). The loss of PII can result in substantial harm, embarrassment, and inconvenience to individuals and may lead to identity theft or other fraudulent use of the information. Appendix A was encrypted and sent separately to the institution via e-mail.

Although the review was thorough, it cannot be assumed to be all-inclusive. The absence of statements in the report concerning Lock Haven's specific practices and procedures must not be construed as acceptance, approval, or endorsement of those specific practices and procedures.

Federal Student Aid
An OFFICE of the U.S. DEPARTMENT of EDUCATION

School Participation Division – Philadelphia
100 Penn Square East, Suite 511, Philadelphia, PA 19107
StudentAid.gov

Furthermore, it does not relieve Lock Haven of its obligation to comply with all of the statutory or regulatory provisions governing the Title IV, HEA programs.

The School Participation Division - Philadelphia has made a Final Program Review Determination concerning the findings that were identified during the program review. Following is a discussion of the findings identified and the resolution of those findings.

Finding # 1: Inaccurate Common Origination and Disbursement (COD) Reporting

Citation: An institution makes a disbursement of Title IV, HEA program funds on the date that the institution credits a student's account at the institution or pays a student or parent directly with: funds received from the Secretary, funds received from a lender under the FFEL Programs, or institutional funds used in advance of receiving Title IV, HEA program funds. 34 C.F.R. § 668.164(a)(1).

The Federal Register published February 28, 2013 established reporting deadlines to the Common Origination and Disbursement System (COD) for Federal Pell Grant and Direct Loan disbursement. Institutions are required to report disbursement information and adjustments to previously reported disbursement data to COD no later than: (1) 30 calendar days for disbursements that occurred prior to April 1, 2013, and (2) 15 calendar days for disbursements that occur on or after April 1, 2013. (Federal Register Volume 78, Number 40).

The institution must report the date the funds were made available to the student. The disbursement date must be reported as the date the funds were disbursed to the borrower by posting funds to the student's account at the school or paying the borrower directly. (*November 2010 Electronic Announcement: Direct Loan Processing Information – Making Disbursement Adjustments and Reducing Direct Loan Awards to Zero.*)

Noncompliance: Lock Haven reported inaccurate disbursement dates to COD for Federal Pell Grants disbursed to students # 4, 6, 19, 21, 23, 25, 28, and 30. The following chart provides additional details.

Student #	Amount	Date School Credited Funds to Student Account	Disbursement Date School Reported to COD
4	\$ 948	08/22/2013	09/09/2013
	\$ 947	01/16/2014	02/04/2014
6	\$2,283	09/04/2013	09/09/2013
	\$2,822	01/16/2014	02/04/2014
19	\$2,865	08/21/2014	09/11/2014
21	\$2,690	08/27/2014	09/03/2014
23	\$1,640	08/21/2014	09/03/2014
25	\$2,840	08/21/2014	09/13/2014
28	\$2,865	08/21/2014	09/11/2014
	\$2,865	01/21/2015	01/23/2015
30	\$2,865	08/21/2014	09/03/2014

An institution's failure to report accurate data in COD may cause additional expense for students and the Department.

Institutional Action Taken to Resolve Noncompliance:

During the on-site visit, the institution's financial aid director advised the review team that new procedures were established to address the COD disbursement date reporting issue. The institution's new practice is to submit weekly disbursement records to COD which should ensure that accurate disbursement dates are reported to COD.

Final Program Review Determination:

Lock Haven has taken the corrective actions necessary to resolve this finding. Therefore, Lock Haven may consider this finding closed with no further action required.

Finding # 2: Late Delivery of Student Credit Balance

Citation: Whenever an institution disburses Title IV, HEA program funds by crediting a student's account and the total amount of all Title IV, HEA program funds credited exceeds the amount of tuition and fees, room and board, and other authorized charges the institution assessed the student, the institution must pay the resulting credit balance directly to the student or parent as soon as possible but no later than 14 days after the credit balance has occurred. 34 C.F.R. § 668.164 (e)(1).

Noncompliance: Lock Haven failed to deliver a Title IV credit balance to student # 4 within 14 days of the credit balance occurring on the student's account.

On August 26, 2013, Lock Haven posted Title IV funds to the account of student # 4 which resulted in a Title IV credit balance in the amount of \$3,225.50. On September 13, 2013, the institution's servicer delivered the credit balance to the student via check #0327706811. This credit balance payment was made 18 days after the credit balance occurred on the student's account.

Lock Haven's failure to deliver Title IV credit balances within the 14-day timeframe can result in financial harm and burden to students. Students are entitled to receive credit balance funds to cover living expenses that incur while attending school.

Institutional Action Taken to Resolve Noncompliance:

This was an isolated instance due to the student's untimely response to select a refund preference for credit balance payments. During the on-site visit, the institution's financial aid director advised the review team that procedures have been strengthened which should ensure credit balance checks are issued within 14 days to all students who do not make a timely selection for their refund preference.

Final Program Review Determination:

Lock Haven has taken the corrective actions necessary to resolve this finding. Therefore, Lock Haven may consider this finding closed with no further action required.

Record Retention:

Program records relating to the period covered by the program review must be retained until the later of: resolution of the loans, claims or expenditures questioned in the program review; or the end of the retention period otherwise applicable to the record under 34 C.F.R. § 668.24(e).

We would like to express our appreciation for the courtesy and cooperation extended during the review. If you have any questions concerning this report, please call Ms. Diane Sarsfield at (215) 656-6459.

Sincerely,

A large black rectangular redaction box covering the signature area.

Nancy Paula Gifford
Division Director

cc: Mr. Robert Fryer, Director of Financial Aid
Middle States Commission on Higher Education
PA Department of Education
Department of Defense
Department of Veterans Affairs
Consumer Financial Protection Bureau